

News Release

December 15, 2010

Uranium One Enters into Option Agreement to Acquire Mantra Resources from ARMZ

Vancouver, British Columbia and Johannesburg, South Africa – Uranium One Inc. (“Uranium One”) and JSC Atomredmetzoloto (“ARMZ”) today jointly announced that ARMZ has entered into a definitive agreement to acquire all of the issued shares of Mantra Resources Limited (“Mantra”) pursuant to an Australian Scheme of Arrangement (“Scheme”). Mantra’s core asset is the world-class Mkuju River Project in Tanzania which is nearing the completion of a definitive feasibility study.

Concurrently with the execution of the Scheme, ARMZ and Uranium One have entered into a definitive put/call option agreement (“Put/Call Agreement”) pursuant to which Uranium One has the right to acquire from ARMZ, and ARMZ has the right to sell to Uranium One, all of the Mantra shares for consideration equal to ARMZ’s acquisition cost plus certain additional expenditures.

Enhancing and Diversifying Uranium One’s Production Base

The joint strategy of Uranium One and ARMZ is to create a world-leading diversified uranium production company with high quality mines and development projects. Based on Mantra’s current public disclosure for the Mkuju River Project, this transaction:

- Increases Uranium One’s NI 43-101 compliant measured and indicated resources by 68% and inferred resources by 34%
- Enhances Uranium One’s attractive diversified portfolio of assets with mines in Kazakhstan, the United States and Australia and the addition of a new development project in Tanzania
- Increases Uranium One’s steady state annual production range to approximately 22 – 26 million pounds from approximately 18 - 20 million pounds
- Maintains Uranium One’s industry leading total cash costs at approximately US\$20 per pound sold on a consolidated basis

Uranium One has completed extensive due diligence on Mantra and believes that the Mkuju River Project has excellent potential to increase the current resource base, as well as the ultimate steady state production rate.

Jean Nortier, Chief Executive Officer of Uranium One, said:

“Uranium One believes that the Mkuju River Project ranks among the best uranium development projects in the world. Our option to acquire Mantra from ARMZ provides Uranium One with the opportunity to add this significant development project, located in a mining friendly jurisdiction, to our existing portfolio of world-class operations and complements the long-term growth strategy of the Company.”

Vadim Zhivov, Director General of ARMZ, commented:

“Our acquisition proposal provides all Mantra shareholders with the opportunity to realize cash consideration at a premium valuation. This transaction also highlights our continuing strong support of Uranium One as its majority shareholder and will allow all of Uranium One’s shareholders and stakeholders to benefit from the acquisition of a high-quality uranium development project.”

Mkuju River Project Overview

- Large-scale uranium development project located in southern Tanzania
- NI 43-101 compliant resource base of 65.5 million pounds of measured and indicated resource and 35.9 million pounds of inferred resource (refer to Appendix A for details)
- Completed pre-feasibility study with estimated Phase 1 production of 3.7 million pounds per year
- Planned usage of low-cost conventional resin-in-pulp processing
- Currently investigating viability of Phase 2 production growth via heap leach
- Large land package with attractive exploration potential

Key Terms of the Put/Call Agreement

The Put/Call Agreement between Uranium One and ARMZ:

- provides Uranium One with an opportunity to acquire a world-class uranium development project at a fixed cost in a rising uranium price environment
- gives Uranium One flexibility with respect to the timing and consideration to satisfy the exercise price, subject to ARMZ maintaining its ownership stake of not less than 51%

Uranium One has a call option to acquire Mantra from ARMZ, exercisable at any point within 12 months of closing (subject to extension) of the acquisition of Mantra by ARMZ. The Put/Call Agreement also provides ARMZ with a put option to sell Mantra to Uranium One at the end of the term.

The purchase price to be paid upon exercise of either the put or call option will be equal to ARMZ’s acquisition cost of Mantra, including any additional expenditures contributed by ARMZ to Mantra or its properties and interest thereon at a rate of 2.65% per annum.

The exercise of the put or call option will constitute a related party transaction under applicable Canadian securities legislation. Accordingly, the exercise of the put and call options is subject to Uranium One minority shareholder approval, as well as to required regulatory approvals.

Uranium One will endeavour to seek shareholder approval following completion of the acquisition of Mantra by ARMZ, including majority of minority approval, at the earliest date upon which an Independent Committee of the Board of Directors is prepared to recommend that Uranium One minority shareholders vote in favour of the exercise of the Put/Call Agreement.

Uranium One will become the operator of the Mkuju River Project immediately upon completion of the acquisition of Mantra by ARMZ, and will be responsible for the continued advancement of the Mkuju River Project towards commencement of production.

Key Terms of the Scheme Implementation Agreement

ARMZ and Mantra have entered into a Scheme Implementation Agreement which sets out, among other things, the terms under which the acquisition of the Mantra shares will be undertaken. Under the Scheme, each common share of Mantra will be exchanged for a cash payment in the amount of A\$8.00, representing a 15.5% premium to Mantra's 20 day volume weighted average price on the Australian Stock Exchange. The transaction values Mantra at approximately A\$1.2 billion and is expected to close during Q2 2011.

The transaction between ARMZ and Mantra has been unanimously approved by the Board of Directors of Mantra subject to the receipt of an independent expert opinion that the transaction is in the best interests of Mantra shareholders.

The directors of Mantra intend to vote in favour of the Scheme. Mantra's largest shareholder, Highland Park S.A. and its related entities ("Highland Park"), hold approximately 13.5% of Mantra's outstanding fully-diluted shares and have indicated to the board of Mantra their intention to vote in favour of the Scheme, subject to the absence of a Superior Proposal as determined by the Mantra Board of Directors.

Advisors

BMO Capital Markets is acting as the financial advisor to ARMZ and Uranium One with respect to the acquisition of Mantra. Credit Suisse Securities (Canada), Inc. is also acting as Uranium One's financial advisor with respect to the Put/Call Agreement with ARMZ.

ARMZ's legal advisors are Stikeman Elliott LLP, Blake Dawson and FB Attorneys (Tanzanian legal advisors). Uranium One's legal advisors are Fasken Martineau DuMoulin LLP, Allens Arthur Robinson and Ishengoma, Karume, Masha & Magai Advocates (Tanzanian legal advisors) with respect to these transactions.

Conference Call Details

Uranium One will be hosting a conference call and webcast to discuss the Mantra transaction on Wednesday, December 15, 2010 starting at 11:00 a.m. (Eastern Time). Participants may join the call by dialling toll free 1-888-231-8191 or 1-647-427-7450 for local calls or calls from outside Canada and the United States. A live webcast of the call will be available through CNW Group's website at: www.newswire.ca/en/webcast

A recording of the conference call will be available for replay for a one week period beginning at approximately 2:00 p.m. (Eastern Time) on December 15, 2010 by dialling toll free 1-800-642-1687 or 1-416-849-0833 for local calls or calls from outside Canada and the United States. The pass code for the replay is 32532104. A replay of the webcast will be available through a link on our website at www.uranium1.com

About Uranium One

Uranium One is one of the world's largest publicly traded uranium producers with a globally diversified portfolio of assets located in Kazakhstan, the United States, and Australia.

For further information, please contact:

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Appendix A

Mkuju River Reserves & Resources as of November 2010

	Tonnes (millions)	Grade (ppm U ₃ O ₈)	Contained U ₃ O ₈ (M lbs)
Measured Resource	40.9	442	39.9
Indicated Resource	26.8	433	25.6
Total Measured & Indicated	67.7	439	65.5
Inferred	41.2	395	35.9

Source: Mantra press release on November 16, 2010 as prepared by independent consultants CSA Global Pty Ltd ('CSA') and is reported in accordance with NI 43-101

Cautionary Statement

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

Investors are advised to refer to independent technical reports containing detailed information with respect to the material properties of Uranium One. These technical reports are available under the profiles of Uranium One Inc., UrAsia Energy Ltd, at www.sedar.com. Those technical reports provide the date of each resource or reserve estimate, details of the key assumptions, methods and parameters used in the estimates, details of quality and grade or quality of each resource or reserve and a general discussion of the extent to which the estimate may be materially affected by any known environmental, permitting, legal, taxation, socio-political, marketing, or other relevant issues. The technical reports also provide information with respect to data verification in the estimation.

This document uses the terms "measured", "indicated" and "inferred" resources as defined in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects. United States investors are advised that while these terms are recognized and required by Canadian regulations, the SEC does not recognize them. Investors are cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence and economic and legal feasibility and it cannot be assumed that all or any part of an inferred mineral resource will be ever be upgraded to a higher category. Investors are cautioned not to assume that all or any part of an inferred resource exists or is economically or legally mineable. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

Scientific and technical information contained herein has been reviewed on behalf of Uranium One by Mr. M.H.G. Heyns, Pr.Sci.Nat. (SACNASP), MSAIMM, MGSSA, Senior Vice President of Uranium One Inc., a Qualified Person for the purposes of NI 43-101.

Forward-looking statements: This press release contains certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the price of uranium, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward - looking statements involve known and unknown risks, uncertainties and other factors which may cause the

actual results, performance or achievements of Uranium One to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the completion of the transaction described in this press release, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and ore densities or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or in completion of development or construction activities, risks relating to the integration of acquisitions, to international operations, to prices of uranium as well as those factors referred to in the section entitled "Risk Factors" in Uranium One's Annual Information Form for the year ended December 31, 2009, which is available on SEDAR at www.sedar.com, and which should be reviewed in conjunction with this document. Although Uranium One has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Uranium One expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

For further information about Uranium One, please visit www.uranium1.com